

For: State and County Offices

Information and Clarification for DMLA-III

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

Notice LD-509 provided information and clarification about DMLA-III.

Notice LD-508 provided information about AD-1026 and DMLA-III payments. The Food Security Act of 1985, as amended by the FAIR Act of 1996, requires that producers who request certain USDA program benefits comply with Highly Erodible Land Conservation and Wetland Conservation provisions. Regulations in According to the regulations at 7 CFR Section 12.7, certification of compliance is required for payments made under the Agricultural Market Transition Act, the Commodity Credit Corporation Charter Act, or any other Act. Accordingly, DMLA-III is affected by these regulations.

B

Purpose

This notice clarifies:

- when AD-1026 is required
- eligibility for new producers purchasing a dairy operation during the 2000 calendar year.

Disposal Date

January 1, 2002

Distribution

State Offices; State Offices relay to County Offices

Notice LD-511

2 Clarifications

A

AD-1026

Dairy producers or dairy operations that received payments under DMLA-III as new producers or operations are required to submit AD-1026. This does not include DMLA-III payments made to producers who were originally signed up under DMLA-I or DMLA-II.

County Offices shall determine ineligibility for benefits because of noncompliance for HEL/WC according to 6-CP.

B

New Producer Eligibility

A non-affiliated person who purchases a new dairy operation in the 2000 calendar year is eligible for DMLA-III as a new producer.

Notice LD-509, subparagraph 3 C, provides an example that a non-affiliated person who purchases a dairy operation in the 2000 calendar year and also added cows to the purchased dairy operation is eligible for DMLA-III as a new producer only for the production from the cows that were added. This was not correct.

A non-affiliated person who purchases a new dairy operation during the 2000 calendar year is eligible for DMLA-III based on the **total** production of the dairy operation from the time of purchase, even if cows are added to or removed from the dairy operation that was purchased.

3 Action

A

State Office Action

State Offices shall ensure that County Offices immediately notify producers of the contents of this notice using all available sources.

B

County Office Action

County Offices shall:

- notify dairy producers and operators to complete and comply with AD-1026
 - identify dairy producers or dairy operations that received a payment under DMLA-III who do not have AD-1026 in the County Office
 - notify dairy producers and dairy operations that they are required to file AD-1026 and failure to do so will result in ineligibility for DMLA-III
 - require dairy producers and dairy operations to submit AD-1026 to the County Office by COB, May 31, 2001.
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